

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1082 – HB 1347

April 14, 2009

SUMMARY OF AMENDMENT (006153): Deletes the section of the original bill that authorized local governments to levy and collect a direct annual tax to pay for certain aspects of convention center construction. This section is replaced with language prohibiting municipal revenue derived from ad valorem taxes to be utilized for convention center expenditures. Adds a new section to the bill that would authorize the use of up to one third of the one percent hotel privilege tax currently earmarked for the promotion of tourism for the purpose of funding a convention center.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Increase Local Revenue – Exceeds \$1,000,000/Permissive

Increase Local Expenditures – Exceeds \$1,000,000/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

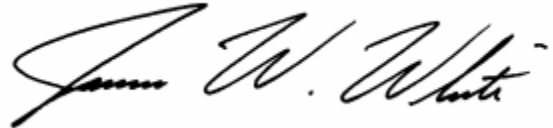
Other Fiscal Impact – Tenn. Code Ann. § 7-4-110(b)(1) currently earmarks one third of the one percent hotel privilege tax for the direct promotion of tourism. According to the language of this amendment, funding a convention center would be an additional authorized use of this revenue. This would result in a shift of local government expenditures from the direct promotion of tourism to the funding of a convention center. The magnitude of such shift would be dependent upon local government decisions but can reasonably be expected to exceed \$1,000,000.

Assumption applied to amendment:

- Any increase in state expenditures for the Secretary of State and the Comptroller to provide oversight for certain functions, as required by the bill, is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/cce